



4015/018 Incoming  
United States Department of the Interior



BUREAU OF LAND MANAGEMENT  
Utah State Office  
P.O. Box 45155  
Salt Lake City, UT 84145-0155  
<http://www.blm.gov/ut/st/en.html>

IN REPLY REFER TO:  
3451  
UTSL-070645-02292  
(UT-9223)

MAR 26 2012

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DIV. OF OIL, GAS & MINING

CERTIFIED MAIL—Return Receipt Requested  
7011 1150 0000 6739 6814  
7011 1150 0000 6739 9617

DECISION

Lessee:	:	
Armeda McKinnon Illiquid Assets Trust	:	Coal Lease
c/o Western National Trust Company	:	UTSL-070645-02292
One South Main Street, 12 <sup>th</sup> Floor	:	
Salt Lake City, Utah 84111	:	
	:	
Sublessee:	:	
PacifiCorp	:	
c/o Interwest Mining Company	:	
1407 West North Temple, Suite 310	:	
Salt Lake City, Utah 84116	:	

Readjustment of Coal Lease UTSL-070645-02292  
Effective April 1, 2012

The regulations under 43 CFR 3451.1(a)(1) and (2) state:

1. All leases issued prior to August 4, 1976, shall be subject to readjustment at the end of the current 20-year period and at the end of each 10-year period thereafter.
2. Any lease subject to readjustment, which contains a royalty rate less than the minimum royalty prescribed in 43 CFR 3473.3-2 shall be readjusted to conform to the minimum prescribed in that section.

Coal lease UTSL-070645-02292, was issued effective April 1, 1952. By notice dated March 26, 2010, The Malcolm N. McKinnon Trust, predecessor in interest to the Armeda McKinnon Illiquid Assets Trust, was notified that the terms and conditions of the readjustment of coal lease UTU-070645-02292 would be provided in accordance with the regulations under 43 CFR 3451 no later than April 1, 2012.

As provided in Part I of the lease and in accordance with the regulations under 43 CFR 3451.2, enclosed are the terms and conditions of coal lease UTSL-070645-02292 effective April 1, 2012.

This decision may be appealed to the Interior Board of Land Appeals, Office of the Secretary, in accordance with the regulations contained in 43 CFR, Part 4, and the enclosed Form 1842.1. If an appeal is taken, your notice of appeal must be filed in this office (at the above address) within 30 days from receipt of this decision. The appellant has the burden of showing that the decision appealed from is in error.

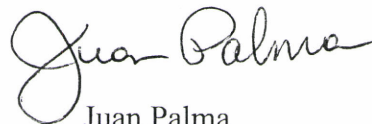
If you wish to file a petition (pursuant to regulation 43 CFR 4.21)(58 FR 4939, January 19, 1993) (request) for a stay (suspension) of the effectiveness of this decision during the time that your appeal is being reviewed by the Board, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of the notice of appeal and petition for a stay **must** also be submitted to each party named in this decision and to the Interior Board of Land Appeals and to the appropriate Office of the Solicitor (see 43 CFR 4.413) at the same time the original documents are filed in this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

#### Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulation, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards:

- (1) The relative harm to the parties if the stay is granted or denied,
- (2) The likelihood of the appellant's success on the merits,
- (3) The likelihood of immediate and irreparable harm if the stay is not granted, and
- (4) Whether the public interest favors granting the stay.

If you have questions please contact Bill Buge of this office at (801) 539-4086.



Juan Palma  
State Director

#### Enclosures

1. Form 1842-1 (1 p)
2. Coal Lease Readjustment (10 pp)

cc: Ms. Jill Ptacek, Department of Justice, Antitrust Division, Transportation, Energy and Agriculture Section, 450 5<sup>th</sup> Street, NW, Suite 4100, Washington D.C. 20530 (w/encl.)

Resource Development Coordinating Committee, ATTN: Mineral Leasing Taskforce, 116 State Capital Building, Salt Lake City, Utah 84114 (w/encl.)

Mr. John Baza, Director, UDOGM, Box 145801, Salt Lake City, Utah 84114-5801 (w/encl.)

Price Coal Office (w/encl.)

ONRR, MRM, Solid Minerals Staff, Attn: Patrick Mulcahy, MS390B2, Box 25165,  
Denver, CO 80225-0165 (w/encl.)

Liz Close, Acting Forest Supervisor, Manti-La Sal National Forest, 599 Price River Dr.,  
Price, UT 84501 (w/encl.)

Tina Garcia, USDA-Forest Service, Southwest Region, 333 Broadway Blvd., SE,  
Albuquerque, NM 87102

Harv Forsgren, Regional Forester, U. S. Forest Service, 324 25<sup>th</sup> street, Ogden, UT 84401

UNITED STATES  
DEPARTMENT OF THE INTERIOR

Serial Number UTSL-070645-02292

BUREAU OF LAND MANAGEMENT

Lease Date April 1, 1952

COAL LEASE READJUSTMENT

**Part I. LEASE RIGHTS GRANTED**

This lease, entered into by and between the United States of America, hereinafter called the lessor, through the Bureau of Land Management, and

Armeda McKinnon Illiquid Assets Trust  
c/o Western National Trust Company  
One South Main Street, 12<sup>th</sup> Floor  
Salt Lake City, Utah 84111

hereinafter called lessee, is readjusted, effective April 1, 2012, for a period of 10 years and for so long thereafter as coal is produced in commercial quantities from the leased lands, subject to readjustment of lease terms at the end of each 10 year lease period.

**Sec. 1.** This lease readjustment is subject to the terms and provisions of the:

☒ Mineral Lands Leasing Act of 1920, Act of February 25, 1920, as amended, 41 Stat. 437, 30 U.S.C. 181-287, hereinafter referred to as the Act;

☐ Mineral Leasing Act for Acquired Lands, Act of August 7, 1947, 61 Stat. 913, 30 U.S.C. 351-359;

and to the regulations and formal orders of the Secretary of the Interior which are now or hereafter in force, when not inconsistent with the express and specific provisions herein.

**Sec. 2.** Lessor, in consideration of any rents and royalties to be paid, and the conditions and covenants to be observed as herein set forth, hereby grants to lessee the exclusive right and privilege to drill for, mine, extract, remove or otherwise process and dispose of the coal deposits in, upon, or under the following described lands:

T. 17 S., R. 7 E., SLM, UT

Sec. 4, S $\frac{1}{2}$ SW $\frac{1}{4}$ , SW $\frac{1}{4}$ SE $\frac{1}{4}$ ;

Sec. 5, SE $\frac{1}{4}$ SW $\frac{1}{4}$ , S $\frac{1}{2}$ SE $\frac{1}{4}$ ;

Sec. 9, NE $\frac{1}{4}$ , E $\frac{1}{2}$ NW $\frac{1}{4}$ , NE $\frac{1}{4}$ SW $\frac{1}{4}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$ ;

Sec. 10, W $\frac{1}{2}$ W $\frac{1}{2}$ NW $\frac{1}{4}$ , SE $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ , S $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ , SW $\frac{1}{4}$ ;

Sec. 15, NW $\frac{1}{4}$ ;

Sec. 17, E $\frac{1}{2}$ NW $\frac{1}{4}$ ;

Emery County, Utah

containing 1,070.00 acres, more or less, together with the right to construct such works, buildings, plants, structures, equipment and appliances and right to use such on-lease rights-of-way which may be necessary and convenient in the exercise of the rights and privileges granted, subject to the conditions herein provided.

## **PART II. TERMS AND CONDITIONS**

**Sec. 1. (a) RENTAL RATE.** lessee shall pay lessor rental annually and in advance for each acre or fraction thereof during the continuance of the lease at the rate of \$3.00 for each lease year.

**(b) RENTAL CREDITS.** Rental shall not be credited against either production or advance royalties for any year.

**Sec. 2.(a) PRODUCTION ROYALTIES.** The royalty shall be 8.0 percent of the value of coal produced by underground mining methods. Royalties are due to lessor the final day of the months succeeding the calendar month in which the royalty obligation accrues.

**(b) ADVANCE ROYALTIES.** Upon request by the lessee, the authorized officer may accept for a total of not more than \*10 years, the payment of advance royalties in lieu of continued operation, consistent with the regulations. The advance royalty shall be based on a percent of the value of a minimum number of tons determined in the manner established by the advance royalty regulations in effect at the time the lessee requests approval to pay advance royalties in lieu of continued operation.  
\*20 years (Public Law 109-58)

**Sec. 3. BONDS.** lessee shall maintain in the proper office a LMU bond in the amount of \$2,100,000 which is on file. The authorized officer may require an adjustment in the amount of the bond to reflect changed conditions.

**Sec. 4. DILIGENCE.** This lease is subject to the conditions of diligent development and continued operation, except that these conditions are excused when operations under the lease are interrupted by strikes, the elements, or casualties not attributable to the lessee. The lessor, in the public interest, may suspend the condition of continued operation upon payment of advance royalties in accordance

with the regulations in existence at the time of the suspension. lessee's failure to produce coal in commercial quantities at the end of 10 years shall terminate the lease. If not submitted already, lessee shall submit an operation and reclamation plan pursuant to Section 7 of the Act not later than 3 years after the effective date of this lease readjustment.

The lessor reserves the power to assent to or order the suspension of the terms and conditions of this lease in accordance with, inter alia, Section 39 of the Mineral Leasing Act, 30 U.S.C. 209.

**Sec. 5. LOGICAL MINING UNIT (LMU).** Either upon approval by the lessor of the lessee's application or at the direction of the lessor, this lease shall become an LMU or part of an LMU, subject to the provisions set forth in the regulations.

The stipulations established in an LMU approval in effect at the time of LMU approval will supersede the relevant inconsistent terms of this lease so long as the lease remains committed to the LMU. If the LMU of which this lease is a part is dissolved, the lease shall then be subject to the lease terms which would have been applied if the lease had not been included in an LMU.

**Sec. 6. DOCUMENTS, EVIDENCE AND INSPECTION.** At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing the amounts and quality of all products removed and sold from the lease, the proceeds therefrom, and the amount used for production purposes or unavoidably lost.

lessee shall keep open at all times for the inspection of any duly authorized officer of lessor, the leased premises and all surface and underground improvements, works, machinery, ore stockpiles, equipment, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or under the leased lands.

lessee shall allow lessor access to and copying of documents reasonably necessary to verify lessee compliance with terms and conditions of the lease.

While this lease remains in effect, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

**Sec. 7. DAMAGES TO PROPERTY AND CONDUCT OF OPERATIONS.** lessee shall comply at its own expense with all reasonable orders of the Secretary, respecting diligent operations, prevention of waste, and protection of other resources.

lessee shall not conduct exploration operations, other than casual use, without an approved exploration plan. All exploration plans prior to the commencement of mining operations within an approved mining permit area shall be submitted to the authorized officer.

lessee shall carry on all operations in accordance with approved methods and practices as provided in the operating regulations, having due regard for the prevention of injury to life, health, or property, and prevention of waste, damage or degradation to any land, air, water, cultural, biological, visual, and other resources, including mineral deposits and formations of mineral deposits not leased hereunder, and to other land uses or users. lessee shall take measures deemed necessary by lessor to accomplish the intent of this lease term. Such

measures may include, but are not limited to, modification to proposed siting or design of facilities, timing of operations, and specification of interim and final reclamation procedures. Lessor reserves to itself the right to lease, sell, or otherwise dispose of the surface or other mineral deposits in the lands and the right to continue existing uses and to authorize future uses upon or in the leased lands, including issuing leases for mineral deposits, not covered hereunder and approving easements or rights-of-way. Lessor shall condition such uses to prevent unnecessary or unreasonable interference with rights of lessee as may be consistent with concepts of multiple use and multiple mineral development.

**Sec. 8. PROTECTION OF DIVERSE INTERESTS, AND EQUAL OPPORTUNITY.**

lessee shall: pay when due all taxes legally assessed and levied under the laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; restrict the workday to not more than 8 hours in any one day for underground workers, except in emergencies; and take measures necessary to protect the health and safety of the public.

No person under the age of 16 years shall be employed in any mine below the surface. To the extent that laws of the State in which the lands are situated are more restrictive than the provisions in this paragraph, then the State laws apply.

lessee will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and the rules, regulations, and relevant orders of the Secretary of Labor.

Neither lessee nor lessee's subcontractors shall maintain segregated facilities.



## Sec. 9(a) TRANSFERS

- ☒ This lease may be transferred in whole or in part to any person, association, or corporation qualified to hold such lease interest.
- ☐ This lease may be transferred in whole or in part to another public body, or to a person who will mine the coal on behalf of, and for the use of, the public body or to a person who for the limited purpose of creating a security interest in favor of a lender agrees to be obligated to mine the coal on behalf of the public body.
- ☐ This lease may only be transferred in whole or in part to another small business qualified under 13 CFR 121.

Transfers of record title, working or royalty interest must be approved in accordance with the regulations.

**(b) RELINQUISHMENT.** The lessee may relinquish in writing at any time all rights under this lease or any portion thereof as provided in the regulations. Upon lessor's acceptance of the relinquishment, lessee shall be relieved of all future obligations under the lease or the relinquished portion thereof, whichever is applicable.

**Sec. 10. DELIVERY OF PREMISES, REMOVAL OF MACHINERY, EQUIPMENT, ETC.** At such time as all portions of this lease are returned to lessor, lessee shall deliver up to lessor the land leased, underground timbering, and such other supports and structures necessary for the preservation of the mine workings on the leased premises or deposits and place all workings in condition for suspension or abandonment. Within 180 days thereof, lessee shall remove from the premises all other structures, machinery, equipment,

tools, and materials that it elects to or as required by the authorized officer. Any such structures, machinery, equipment, tools, and materials remaining on the leased lands beyond 180 days, or approved extension thereof, shall become the property of the lessor, but lessee shall either remove any or all such property or shall continue to be liable for the cost of removal and disposal in the amount actually incurred by the lessor. If the surface is owned by third parties, lessor shall waive the requirement for removal, provided the third parties do not object to such waiver. Lessee shall, prior to the termination of bond liability or at any other time when required and in accordance with all applicable laws and regulations, reclaim all lands the surface of which has been disturbed, dispose of all debris or solid waste, repair the offsite and onsite damage caused by lessee's activity or activities incidental thereto, and reclaim access roads or trails.

**Sec. 11. PROCEEDINGS IN CASE OF DEFAULT.** If lessee fails to comply with applicable laws, existing regulations, or the terms, conditions and stipulations of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation by the lessor only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

**Sec. 12. HEIRS AND SUCCESSORS - INTEREST.** Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

**Sec. 13. INDEMNIFICATION.** Lessee shall indemnify and hold harmless the United States from any and all claims arising out of the lessee's activities and operations under this lease.

**Sec. 14. SPECIAL STATUTES.** This lease is subject to the Federal Water Pollution Control Act (33 U.S.C. 1151 - 1175); the Clean Air Act (42 U.S.C. 1857 et seq.), and to all other applicable laws pertaining to exploration activities, mining operations and reclamation, including the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1201 et seq.)

**Sec. 15. SPECIAL STIPULATIONS.**

**SEE ATTACHED STIPULATIONS**



## **SPECIAL STIPULATIONS FOR COAL LEASE UTSL-070645-02292**

1. In accordance with Sec. 523(b) of the "Surface Mining Control and Reclamation Act of 1977," surface mining and reclamation operations conducted on this lease are to conform with the requirements of this act and are subject to compliance with Office of Surface Mining regulations, or as applicable the Utah program approved under the cooperative agreement in accordance with sec. 523(c). The United States Government does not warrant that the entire tract will be susceptible to mining.
2. Notwithstanding the approval of a resource recovery and protection plan by the BLM, lessor reserves the right to seek damages against the operator/lessee in the event (i) the operator/lessee fails to achieve maximum economic recovery [as defined at 43 CFR §3480.0-5(21)] of the recoverable coal reserves or (ii) the operator/lessee is determined to have caused a wasting of recoverable coal reserves. Damages shall be measured on the basis of the royalty that would have been payable on the wasted or unrecovered coal.

The parties recognize that under an approved R2P2, conditions may require a modification by the operator/lessee of that plan. In the event a coal bed or portion thereof is not to be mined or is rendered unminable by the operation, the operator shall submit appropriate justification to obtain approval by the AO to leave such reserves unmined. Upon approval by the AO, such coal beds or portions thereof shall not be subject to damages as described above. Further, nothing in this section shall prevent the operator/lessee from exercising its right to relinquish all or a portion of the lease as authorized by statute and regulation.

In the event the AO determines that the R2P2 modification will not attain MER resulting from changed conditions, the AO will give proper notice to the operator/lessee as required under applicable regulations. The AO will order a new R2P2 modification if necessary, identifying additional reserves to be mined in order to attain MER. Upon a final administrative or judicial ruling upholding such an ordered modification, any reserves left unmined (wasted) under that plan will be subject to damages as described in the first paragraph under this section.

Subject to the right to appeal hereinafter set forth, payment of the value of the royalty on such unmined recoverable coal reserves shall become due and payable upon determination by the AO that the coal reserves have been rendered unminable or at such time that the lessee has demonstrated an unwillingness to extract the coal.

The BLM may enforce this provision either by issuing a written decision requiring payment of the MMS demand for such royalties, or by issuing a notice of non-compliance. A decision or notice of non-compliance issued by the lessor that payment is due under this stipulation is appealable as allowed by law.

3. The lessee shall provide a plan for recovery of coal remaining in pillars and barriers. The plan shall include the in-place and run-of-mine coal quality and tonnages to be recovered and the timing for this coal recovery. The lessee shall submit the plan to the AO within 60 days of lease readjustment.

4. Before undertaking activities that may disturb the surface of National Forest System lands, the lessee is required to conduct a cultural resource inventory and a paleontological appraisal of the areas to be disturbed. This inventory and appraisal shall be conducted by qualified professional cultural resource specialists or qualified paleontologists, as appropriate, and a report prepared itemizing the findings, together with a plan making recommendations for the protection of, or measures to be taken to mitigate impacts for identified cultural or paleontological resources. No surface disturbance may occur until the report and recommendations for protection have been approved by the Authorized Officer with the concurrence of the Forest Service.

If cultural resources or paleontological remains (fossils) of significant scientific interest are discovered during operations under this lease the lessee shall immediately bring them to the attention of the appropriate authority. The lessee shall avoid further disturbance of such cultural resources or paleontological remains discovered during operations under this lease until a plan making recommendations for the protection of, or measures to be taken to mitigate impacts for identified cultural or paleontological resources is approved by the Authorized Officer with the concurrence of the Forest Service. Operations may then proceed in accordance with this approved plan. Paleontological remains of significant scientific interest do not include leaves, ferns or dinosaur tracks commonly encountered during underground mining operations.

The cost of conducting the inventory, preparing reports, and carrying out mitigating measures shall be borne by the lessee.

5. If there is reason to believe that Threatened or Endangered (T&E) species of plants or animals, or migratory bird species of high Federal interest occur in the area, the lessee shall conduct an intensive field inventory of the surface area to be disturbed and/or impacted by mining operations. The inventory shall be conducted by a qualified specialist and a report of findings will be prepared. The lessee shall prepare a plan making recommendations for the protection of these species or action necessary to mitigate the disturbance, which must be approved by the Authorized Officer with the concurrence of the Forest Service prior to proceeding with operations that may cause surface disturbance which will impact T&E species or their habitat. All operations shall be conducted in accordance with this approved plan.

The cost of conducting the inventory, preparing reports and carrying out mitigating measures shall be borne by the lessee.

6. The lessee shall perform a study to secure adequate baseline data to quantify the existing surface resources on and adjacent to the lease area. Existing data may be used if such data are adequate for the intended purposes. The study shall be adequate to locate, quantify, and demonstrate the interrelationship of the geology, topography, surface and ground water hydrology, vegetation and wildlife. Baseline data will be established so that future programs of observation can be incorporated at regular intervals for comparison. This study must be approved by the Authorized Officer with the concurrence of the Forest Service before any operations which cause surface disturbance may proceed.
7. Powerlines used in conjunction with the mining of coal from this lease shall be constructed so as to provide adequate protection for raptors and other large birds. When feasible, powerlines will be located at least 100 yards from public roads.

8. The limited area available for mine facilities at the coal outcrop, steep topography, adverse winter weather, and physical limitations on the size and design of access roads are factors which will determine the ultimate size of the surface area utilized for facilities necessary for the mine. A site-specific environmental analysis will be prepared for each new mine site development and for major improvements to existing developments to examine alternatives and mitigate conflicts. No surface facilities will be constructed or major improvements made to existing facilities without the approval of the Authorized Officer with the concurrence of the Forest Service.
9. Consideration will be given to site selection to reduce adverse visual impacts. Where alternative sites are available, and each alternative is technically feasible, the alternative involving the least damage to the scenery and other resources shall be selected. Permanent structures and facilities will be designed, and screening techniques employed to reduce visual impacts and, where possible, achieve a final landscape compatible with the natural surroundings. The creation of unusual, objectionable, or unnatural landforms and vegetative landscape features will be avoided.
10. The lessee shall establish a monitoring system to locate, measure and quantify the progressive and final effects of underground mining activities on the topographic surface, underground and surface hydrology and vegetation. The monitoring system shall utilize techniques which will provide a continuing record of change over time and an analytical method for location and measurement of a number of points over the lease area. The monitoring shall incorporate and be an extension of the baseline data. The monitoring system must be approved by the Authorized Officer with the concurrence of the Forest Service prior to commencement of mining operations which affect surface resources.
11. The lessee shall provide for the suppression and control of fugitive dust on haul roads and at coal handling and storage facilities. On Forest Development Roads (FDR), where there is a significant amount of traffic that is not related to mining activities, lessee will be required to perform maintenance commensurate with their proportional use of the FDR in accordance with 36 CFR § 212.9.
12. Except at locations specifically approved by the Authorized Officer, with the concurrence of the Forest Service, underground mining operations shall be conducted in such a manner so as to prevent surface subsidence that would: (1) cause the creation of hazardous conditions such as potential escarpment failure and landslides, (2) cause damage to existing surface structures, and (3) damage or alter the flow of perennial streams. Where the Forest Service specifically concurs with exceptions to the above restrictions on subsidence, the lessee shall provide specific measures for the protection of escarpments, and determine corrective measures to assure that hazardous conditions are not created.
13. In order to avoid surface disturbance on steep canyon slopes and to preclude the need for surface access, all surface breakouts for ventilation tunnels shall be constructed from inside the mine, except at specific locations approved by the Authorized Officer with the concurrence of the Forest Service.
14. If removal of timber is required for clearing of construction sites, etc., such timber shall be removed and disposed of only in accordance with the regulations of the Secretary of Agriculture.

15. The coal contained within, and authorized for mining under this lease shall be extracted only by underground mining methods.
16. Existing permitted surface improvements operated, permitted, or administered by the Forest Service shall be protected by the lessee during mining operations. Any such improvements damaged or destroyed by mining operations shall be restored or replaced by the lessee as directed by the Forest Service.
17. In order to protect big-game wintering areas, elk calving and deer fawning areas, sagegrouse strutting areas, and other key wildlife habitat and/or activities, specific surface uses outside the mine development area may be curtailed during specified periods of the year.
18. Support facilities, structures, equipment, and similar developments within the Lease area will be removed by the lessee within two years after the final termination of use of such facilities. This provision shall apply unless the requirement of Section 10 of the lease form is applicable. Disturbed areas and those areas previously occupied by such facilities will be stabilized and rehabilitated as directed by the Authorized Officer, with the concurrence of the Forest Service, including re-establishment of drainages and return of the surface areas to pre-mining land use.
19. The lessee, at the conclusion of the mining operation, or at other times as surface disturbance related to mining may occur, will replace all damaged, disturbed or displaced corner monuments (section corners, 1/4 corners, etc.), their accessories and appendages (witness trees, bearing trees, etc.), or restore them to their original condition and location, or at other locations that meet the requirements of the rectangular surveying system. This work shall be conducted at the expense of the lessee, by Bureau of Land Management (BLM) land surveyors to the standards and guidelines found in the Manual of Surveying Instructions, United States Department of the Interior.
20. The lessee, at their expense, shall replace any surface and/or developed groundwater sources identified for protection that may be lost or adversely affected by mining operations with water from an alternate source in sufficient quantity and quality to maintain existing riparian habitat, fishery habitat, livestock and wildlife use, or other land uses.
21. The lessee/operator is responsible for compliance and reporting regarding toxic and hazardous material and substances under Federal Law and all associated amendments and regulations for the handling of such materials on the land surface and in underground mine workings.
22. The lessee/operator must remove mine equipment and materials not needed for continued operations, roof support and mine safety from underground workings prior to abandonment of mine sections. Exceptions can be approved by the Authorized Officer with the concurrence of the Forest Service. Any such exception for on-site disposal of non-coal waste must comply with 30 CFR § 817.89 and must be approved by the regulatory authority responsible for the enforcement of the Surface Mining Control and Reclamation Act (30 U.S.C. 1201, et seq.). Creation of a situation that would prevent removal of such material and equipment by retreat or abandonment of mine sections, without prior authorization would be considered noncompliance with lease terms and conditions and subject to appropriate penalties under the lease.
23. All safe and accessible areas shall be inspected prior to being sealed. The lessee shall notify the

Authorized Officer in writing 30 days prior to the sealing of any areas in the mine and state the reason for closure. Prior to seals being put into place, the lessee shall inspect the area and certify through documentation any equipment/machinery, hazardous substances, and used oil that is intended to be left underground. The Authorized Officer may participate in this inspection. The purpose of this inspection will be: (1) to provide documentation for compliance with 42 U.S.C. 9620 section 120 (h) and State Management Rule R-315-15, and to assure that certification will be meaningful at the time of lease relinquishment, (2) to document the inspection with a mine map showing location of equipment/machinery (model, type of fluid, amount remaining, batteries, etc.) that is proposed to be left underground. In addition, these items will be photographed at the lessee's expense and shall be submitted to the Authorized Officer as part of the certification. The abandonment of any equipment/machinery shall be on a case by case basis and shall not be accomplished unless the Authorized Officer, with the concurrence of the Forest Service, has granted a written approval.

24. The lessee shall provide upon abandonment and/or sealing off a mined area and prior to lease termination/relinquishment, certification to the Lessor that, based upon a complete search of all the operator's records for the mine and upon their knowledge of past operations, there has been no hazardous substances defined as per 40 CFR 302.4 or used oil as per Utah State Management Rule R-315-15, deposited within the lease, either on the surface or underground, or that all remedial action necessary has been taken to protect human health and the environment with respect to any such substances remaining on the property. The back-up documentation to be provided shall be described by the Lessor prior to the first certification and shall include all documentation applicable to the Emergency Planning and Community Right-to-know Act (EPCRA, Public Law 99-499), Title III of the Superfund Amendments and Reauthorization Act of 1986 or equivalent.
25. The Licensee/Permittee/lessee must comply with all the rules and regulations of the Secretary of Agriculture set forth at Title 36, Chapter II, of the Code of Federal Regulations governing the use and management of the National Forest System (NFS).

All matters related to this stipulation are to be addressed to:

Forest Supervisor  
Manti-La Sal National Forest  
599 West Price River Drive  
Price, Utah 84501

Telephone Number: 801-637-2817

who is the authorized representative of the Forest Service and the Secretary of Agriculture.